works on the Subansiri Lower Hydro Electric Project (2000 MW) of M/s. National Hydroelectric Power Corporation (NHPC) in Arunachal Pradesh/ Assam could not be started due to non-availability of formal forest clearance from the Ministry of Environment and Forests. The issue of formal forest clearance to the project, which is pending due to non-deposit of Net Present Value (NPV) amounting to Rs.350 crores by NHPC for the forest land involved, which is presently *sub-judice*.

PGCI Proposal to build power transmission line in Afghanistan

2321. SHRI B.J. PANDA: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that the Power Grid Corporation of India propose to build power transmission line in the war-torn country Afghanistan;

(b) if so, details of the project;

(c) whether it does not involve any security risk; and

(d) if so, the proposed measures to ensure security for its workers?

THE MINISTER OF POWER (SHRI P.M. SAYEED): (a) and (b) Govern-ment of Afghanistan had requested Government of India for construction of a transmission line from Pul-E-Khumri to Kabul in Afghanistan for import of power from Uzbekistan. Power Grid Corporation of India Ltd. (PGCIL) has been entrusted with the work of survey and soil investigation for this transmission line.

(c) and (d) The required security arragement will be made by the Afghanistan authorities.

Power subsidy

2322. SHRI EKANATH K THAKUR: Will the Minister of POWER be pleased to state:

(a) whether Government are aware of the fact that the power subsidy has become the single largest contributor of fiscal deficit in India;

(b) whether Government are aware of the fact that this has reduced the

ability of State Governments to improve the quality of primary education, public health, and so on;

(c) whether the subsidy goes disproportionately to the non-poor and better-off sections of the society; and

(d) if so, the action Government propose to take to rectify the bias of power subsidy?

THE MINISTER OF POWER (SHRI P.M. SAYEED): (a) and (d) As per the Planning commission Report, the State Governments paid Rs. 8339 crores as subsidy to the power utilities in year 2001-2002.

The Electricity Act, 2003 provides that the State Electricity Regulatory Commissions have the powers to fix tariff for sale of electricity to consumers. However, if the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the State Electricity Regulatory Commissions (SERCs), the State Government shall pay to the concerned utility/licensees the full amount required to compensate the grant of subsidy. Thus, the matter of providing subsidy in tariff to a class of consumers is exclusively in the domain of the State Government.

World Bank Electricity loans to States providing free power

2323. SHRIMATI BIMBA RAIKAR: Will the Minister of POWER be pleased to state:

(a) whether in view of the pro-poor commitment of CMP, the World Bank has almost doubled its leanding to $3.00 billion a year to India's power projects;

(b) whether it is a fact that the World Bank is now seriously considering scrapping of electricity loans to States offering free power supply to agriculture; and

(c) the Government's reaction thereto?

THE MINISTER OF POWER (SHRI P.M. SAYEED): (a) No, Sir.

(d) The Bank is not willing to consider structural adjustment or bud get support loans for states that follow a free power policy. However, this